Form (2)

Sr.No. 256-a
Date 13-2-2015

THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Permit No. 902/2015 Date 13 February 2015

This Permit is issued by the Myanmar Investment Commission according to the section 13, sub-section (b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. ZHOU JUN

(b) Citizenship CHINESE

(c) Address RM-1-402, FLAT ZHOUNG JIANG GARDEN HANGZHOU CHING, PEOPLES' REPUBLIC OF CHINA

(d) Name and Address of Principal Organization HANGZHOU YONGAN GARMENTS CO., LTD, FLOOR 4, BUILDING 2, NO.11 HONGPUBEI ROAD, QIAOSI SUBDISTRICT, YUHANG DISTRICT, HANGZHOU CITY, PEOPLES' REPUBLIC OF CHINA

(e) Place of incorporation PEOPLES' REPUBLIC OF CHINA

(f) Type of investment business MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO 409, MYAY TAING BLOCK NO.25, U PHOE HLAING STREET, SHWE LIN BAN INDUSTRIAL ZONE, HLAING THARYAR TOWNSHIP, YANGON REGION

(h) Amount of Foreign Capital US$ 1.6963 MILLION

(i) Period for foreign capital brought in WITHIN ONE YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.6963 MILLION

(k) Construction period 18 MONTHS

(l) Validity of investment permit 20 YEARS

(m) Form of investment WHOLLY FOREIGN OWNED INVESTMENT

(n) Name of Company incorporated in Myanmar YONGAN (MYANMAR) FASHION COMPANY LIMITED

Chairman

The Myanmar Investment ommission

ပုံစံ (၂)

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်
ခွင့်ပြုမိန့်

စာအမှတ် ၂၅၆-က
ရက်စွဲ ၁၃-၂-၁၅

ခွင့်ပြုမိန့်အမှတ် ၉၀၂/၂၀၁၅ ၂၀၁၅ ခုနှစ် ဖေဖော်ဝါရီလ ၁၃ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၃၊ ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ရင်းနှီးမြှုပ်နှံသူ/ကမကထပြုသူအမည် MR. ZHOU JUN

(ခ) နိုင်ငံသား CHINESE

(ဂ) နေရပ်လိပ်စာ RM-1-402, FLAT ZHOUNG JIANG GARDEN HANGZHOU CHING, PEOPLES' REPUBLIC OF CHINA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ HANGZHOU YONGAN GARMENTS CO., LTD, FLOOR 4, BUILDING 2, NO.11 HONGPUBEI ROAD, QIAOSI SUBDISTRICT, YUHANG DISTRICT, HANGZHOU CITY, PEOPLES' REPUBLIC OF CHINA

(င) ဖွဲ့စည်းရာအရပ် PEOPLES' REPUBLIC OF CHINA

(စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၄၀၉၊ မြေတိုင်းရပ်ကွက်အမှတ် ၂၅၊ ဦးဖိုးလှိုင်လမ်း၊ ရွှေလင်ပန်းစက်မှုဇုန်၊ လှိုင်သာယာမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၁.၆၉၆၃ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိသည့်နေ့မှ (၁) နှစ်အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၆၉၆၃ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) တည်ဆောက်မှုကာလ ၁၈ လ

(ဌ) ရင်းနှီးမြှုပ်နှံမှုခွင့်ပြုသည့် သက်တမ်း ၂၀ နှစ်

(ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ရာနိုင်နှုန်းပြည့်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု

(ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် ကုမ္ပဏီအမည် YONGAN (MYANMAR) FASHION COMPANY LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
No. 1, Thitsar Road, Yankin Township, Yangon

Our ref : DICA-3/FI-1121/2015(286 - a) Tel: 95-1-658128
Date : 13th February 2015 Fax: 95-1-658141

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of "Yongan (Myanmar) Fashion Company Limited"**

Reference: Yongan (Myanmar) Fashion Company Limited Letter dated 1-12-2014

1. The Myanmar Investment Commission, at its meeting (2/2015) held on (31-1-2015), had approved the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "Yongan (Myanmar) Fashion Company Limited" submitted by Hangzhou Yongan Garments Co., Ltd. (55%), Mr.Zhou Jun (35%) and Ms.Lou Xiaoying (10 %) from Peoples' Republic of China as a wholly foreign owned investment.
2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, section 13(b) of the Foreign Investment Law and Chapter VIII, Rule 49 of the Foreign Investment Rules relating to Foreign Investment Law. Terms and conditions to the "Permit" are stated in the following paragraphs.
3. The permitted duration of the project shall be 20(twenty) years and extendable for another 10 (ten) years. The term of the Lease Agreement for land and buildings shall be 20(twenty) years from the date of signing of this agreement with U Kyinn Maung and Yongan (Myanmar) Fashion Company Limited and extendable for 10 (ten) years in one time by mutual agreement. At the expiry of the Lease period, Yongan (Myanmar) Fashion Company Limited shall transfer the leased land and immovable properties on it to the lessor within 3(three) months in good condition, ground damages having been refilled or repaired.
4. The annual rent for the land and buildings shall be US$ 52,795.34 (United States Dollar fifty-two thousand, seven hundred and ninety-five and thirty-four cents only) calculated at the rate of US$ 5.5 per square metre per year of the land and building measuring 9,599.15 square metres. The rate of rent shall be revised in view of prevailing land lease rates after every 5 (five) years period and increase of the rent shall not be more than 5% of the preceding annual rent.

5. In issuing this "Permit," the Commission has granted the followings exemptions and reliefs as per Chapter XII, section 27(a), (h), (i) and (k) of Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section 27(a), income tax exemption for a period of five consecutive years including the year of commencement on commercial production;

(b) As per section 27(h), exemption or relief from customs duty or other internal taxes or both on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction of business;

(c) As per section 27(i), exemption or relief from customs duty or other internal taxes or both on raw materials imported for production for the first three-year after the completion of construction of business;

(d) As per section 27(k), exemption or relief from commercial tax on the goods produced for export.

6. Yongan (Myanmar) Fashion Company Limited shall have to sign the Lease Agreement for land and buildings with U Kyinn Maung. After signing the Agreement, (5) copies shall have to be forwarded to the Commission.

7. Yongan (Myanmar) Fashion Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum of Association and Articles of Association shall have to be forwarded to the Commission.

8. Yongan (Myanmar) Fashion Company Limited shall use its best efforts for timely realization of works stated on the proposal. If none of such works has been commenced within one year from the date of issue of this “Permit”, it shall become null and void.

9. Yongan (Myanmar) Fashion Company Limited has to abide by Chapter X, Rule 58 and 59 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 61 of the Foreign Investment Rules, extension of construction period shall not be allowed more than twice except it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, a State of emergency, insurgency and outbreak of wars.

11. As per Chapter X, Rule 63 of the Foreign Investment Rules, if the Yongan (Myanmar) Fashion Company Limited cannot construct completely in time the construction period or extension period, the Commission will have to withdraw the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial operation date of the business shall be reported to the Commission.

13. Yongan (Myanmar) Fashion Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

14. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI, section 24 and section 25 of Foreign Investment Law and Yongan (Myanmar) Fashion Company Limited has to follow the existing Labour Laws for the recruitment of staffs and labours in accordance with Chapter XIII, Rule 84 of the Foreign Investment Rules.

15. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV, section 37 of Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XVI, Rule 134 and 135 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency.

16. Yongan (Myanmar) Fashion Company Limited brings in foreign capital defined under Chapter I, section 2(i) of the Foreign Investment Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

17. Yongan (Myanmar) Fashion Company Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XVI, Rule 136 of the Foreign Investment Rules and for account transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen-owned business in the Union and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of a citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule 145 of the Foreign Investment Rules.

18. Yongan (Myanmar) Fashion Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

19. Yongan (Myanmar) Fashion Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition to this, it shall carry out as per instructions made by Ministry of Environmental Conservation and Forestry in which to conduct Environmental Management Plan (EMP) which describe the measure to be taken for preventing, mitigation and monitoring significant environmental impacts resulting from the implementation and operation of proposed project or business or activity. It has to prepare and submit and perform activities in accordance with this EMP and abide by the environmental policy, Environmental Conservation Law and other environmental related rules and regulations.

20. After getting permit from Myanmar Investment Commission, Yongan (Myanmar) Fashion Company Limited shall have to be registered at the Directorate of Industrial Supervision and Inspection.

21. Yongan (Myanmar) Fashion Company Limited shall have to abide by the Fire Services Department's rules, regulations, directives and instructions. Moreover, fire prevention measures shall have to undertake such as water storage tank, fire hooks, sand bags, fire extinguishers and provide training to use the fire fighting equipment and also appoint the fire safety officer.

22. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc., shall only be made out of export earning (CMP charges) of Yongan (Myanmar) Fashion Company Limited.

23. Yongan (Myanmar) Fashion Company Limited in consultation with Myanma Insurance shall effect such types of insurance defined under Chapter XII, Rule 79 and 80 of Foreign Investment Rules.

(Zay Yar Aung)
Chairman

Yongan (Myanmar) Fashion Company Limited

cc:
1. Office of the Government of the Republic of the Union of Myanmar
2. Ministry of Home Affairs
3. Ministry of Foreign Affairs
4. Ministry of Environmental Conservation and Forestry
5. Ministry of Electric Power
6. Ministry of Immigration and Population

7. Ministry of Industry
8. Ministry of Commerce
9. Ministry of Finance
10. Ministry of National Planning and Economic Development
11. Ministry of Labour, Employment and Social Security
12. Chairman, CMP Enterprises Supervision Committee
13. Office of the Yangon Region Government
14. Director General, Department of Environmental Conservation
15. Director General, Immigration and National Registration Department
16. Director General, Directorate of Industrial Supervision and Inspection
17. Director General, Directorate of Trade
18. Director General, Customs Department
19. Director General, Internal Revenue Department
20. Director General, Directorate of Investment and Company Administration
21. Director General, Directorate of Labour
22. Director General , Department of Human Settlements & Housing Development
23. Director General, Fire Services Department
24. Managing Director, Myanma Foreign Trade Bank
25. Managing Director, Myanma Investment and Commercial Bank
26. Managing Director, Myanma Insurance
27. Managing Director, Myanma Electric Power Enterprise
28. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)